



North Central Idaho News

CLEARWATER, IDAHO, LATAH, LEWIS & NEZ PERCE COUNTIES

ECONOMIC TRENDS

September's seasonally adjusted unemployment rate increased slightly from August to 4.8 percent due to early seasonal layoffs in agriculture. Workers in the wheat and barley harvest, who normally work until September, were laid off in August this year because harvest started early and was completed in August. Year over year unemployment was down from last September's rate of 5.3 percent.

SPECIAL TOPIC: Washington's Minimum Wage to Increase

Washington's minimum wage will increase 30 cents to \$7.93 an hour beginning Jan. 1. Washington voters approved an initiative in 1998 that requires the state's minimum wage be adjusted each year in September based on changes in the Consumer Price Index. Washington's minimum wage applies to workers in both agricultural and non-agricultural jobs, although 14- and 15-year-olds may be paid 85 percent of the adult minimum wage. For more information on Washington's minimum wage, log on to the Internet at <http://wages.LNI.wa.gov> and select "Minimum Wage." Employers and workers may also call (360) 902-5316 or toll-free (866) 219-7321 for more information.

North central Idaho employers, especially those in Lewiston and Moscow, keep a close eye on Washington's minimum wage because they compete for the same labor pool. Increases in the minimum wage in Washington usually signal a need to increase entry-level wages in north central Idaho border communities. The Idaho and federal minimum wages are \$5.15 an hour. Democratic leaders in Congress have said they plan to make an increase in the minimum wage a priority when they take control in January. Idaho's history has been to match whatever increases are approved in the federal minimum wage.

AREA DEVELOPMENTS

Clearwater County

- A virtual marketplace has been set up for local producers and artisans

North Central Idaho Table 1: Lewiston MSA Labor Force & Employment
Nez Perce County, Idaho and Asotin County, Washington

	Sep 2006*	Aug 2006	Sep 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	28,800	28,750	29,550	0.2	-2.5
Unemployment	1,390	1,350	1,560	3.0	-10.9
% of Labor Force Unemployed	4.8	4.7	5.3		
Total Employment	27,410	27,400	27,990	0.0	-2.1
<i>Unadjusted</i>					
Civilian Labor Force	28,170	28,320	28,810	-0.5	-2.2
Unemployment	1,040	1,140	1,170	-8.8	-11.1
% of Labor Force Unemployed	3.7	4.0	4.1		
Total Employment	27,130	27,180	27,640	-0.2	-1.8
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	26,940	26,690	27,260	0.9	-1.2
<i>Goods-Producing Industries</i>	4,490	4,510	4,620	-0.4	-2.8
Natural Resources & Mining	280	260	230	7.7	21.7
Construction	1,250	1,270	1,400	-1.6	-10.7
Manufacturing	2,960	2,980	2,990	-0.7	-1.0
Wood Product Manufacturing	540	550	550	-1.8	-1.8
Food Manufacturing	30	30	30	0.0	0.0
Paper Manufacturing	1,100	1,110	1,110	-0.9	-0.9
Other Manufacturing	1,290	1,290	1,300	0.0	-0.8
<i>Service-Providing Industries</i>	22,450	22,180	22,640	1.2	-0.8
Trade, Transportation & Utilities	5,450	5,480	5,440	-0.5	0.2
Wholesale Trade	660	680	680	-2.9	-2.9
Retail Trade	3,460	3,460	3,480	0.0	-0.6
Utilities	90	90	90	0.0	0.0
Transportation & Warehousing	1,240	1,250	1,190	-0.8	4.2
Information	450	450	410	0.0	9.8
Financial Activities	1,840	1,830	1,850	0.5	-0.5
Professional & Business Services	1,580	1,580	1,730	0.0	-8.7
Education & Health Services	4,450	4,400	4,450	1.1	0.0
Leisure & Hospitality	2,430	2,440	2,510	-0.4	-3.2
Other Services	1,100	1,080	1,120	1.9	-1.8
Government Education	2,370	2,180	2,300	8.7	3.0
Government Administration	2,030	1,960	2,080	3.6	-2.4
Government Tribes	750	780	750	-3.8	0.0

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

in Clearwater County and the surrounding region. The marketplace is a Web site, <http://www.inlandnwfarmersmarket.com>, where businesses in the region sell their products such as meat, produce, crafts and books.

- Clearwater County is also promoting the "Gold Rush Artisan Adventure," a driving route that encourages tourists to discover the county's interesting back roads. The route diverts travelers from U.S. Highway 12 at

Orofino, follows the Grangemont Road to Highway 11 and on to Headquarters before doubling back to Pierce and rejoining Highway 12 at Greer. A map detailing artisan shops, ranches, museums, places to stay and community events along the route will be produced to promote the drive. The map will include addresses, hours and contact information for businesses.

Idaho & Lewis Counties

- The Bennett lumber mill in Grangeville, the newest lumber mill in north central Idaho and southeastern Washington, shut down for a week in October, laying off about half of the employees, according to company president Scott Atkison, while the other 70 employees worked on machinery for the week. About 100 contract loggers and truck drivers were also affected by the shutdown. According to Atkinson, the mill has been struggling to sell lumber at a level close to its production.

Mill operators blame a recent agreement between the U.S. and Canada for the slowdown. The Canadian government agreed to tax its producers 15 percent for lumber shipped to the United States if the price fell below \$300 per thousand board feet starting Oct. 1. According to a Bennett company memo, Canadian producers ramped up their shipments to the U.S. before the agreement took effect, which dropped prices as much as 20 percent for some items. In turn, the volume of buying has slowed to a crawl. Other mills are also strained by the conditions. At least 16 mills in the western United States have taken actions that include one-week shutdowns, production reductions and indefinite closures. Executives at Bennett Forest Industries viewed the week-long shutdown as a preventive strategy.

Latah County

- Latah County commissioners denied Ralph Naylor Farms LLC's request for a conditional use permit to mine sand, gravel and clay on its land north of Moscow. Commissioners said the application did not meet the tenets of the comprehensive plan for the county and the site was too close to Moscow and surrounding residents. The company's plan was to mine in 40-acre sections on 362 acres of land a mile and a half north of Moscow. It would have served as the only local source for sand and gravel needed to make concrete.
- Standing room only at the Kibbie Dome translates into increased business at Moscow and Lewiston hotels, restaurants, bars and other service businesses. The University of Idaho's arena was sold out for the first time in a long time as the resurgent Vandals took the field against the Boise State Broncos in football in October. The feat of selling more than 17,000 seats was spurred initially by the off-season hiring of coaching legend Dennis Erickson, and lately by a winning record, the first in seven years. "Athletic wins equate to fans in the seats, and there's nothing better than that," said Moscow Chamber of Commerce Executive

Director Paul Kimmell. And with an even bigger crowd just eight miles away to watch the Washington State Cougars take on the University of Oregon Ducks, the Palouse was flooded in October with entertainment-hungry fans, buying everything from T-shirts to room service. The consumer crush reached well into the Lewiston-Clarkston Valley. Alyssa Hasenoehrl, general manager of the Lewiston Comfort Inn, said she fielded at least 10 calls a day from people who did not plan ahead and were scrambling to find rooms. Economic studies done by University of Idaho economists have said every visitor during a big game weekend spends between \$100 and \$120 per day.

Nez Perce County

- Making wine has become a small but growing industry in the area. One local wine maker, Merry Cellars, produces a syrah wine. The company's owner and vintner, Patrick Merry started making wine about six years ago as a hobby. He made the leap to producing it commercially in 2004. That same year, Clearwater Canyon Cellars in Lewiston and Camas Prairie Winery in Moscow pressed grapes to make their first batches of wine. And Basalt Cellars and Wawawai Canyon cropped up a little later. The region has six wineries, and most local vintners would like to see the area eventually become a wine-tourism destination. The accumulation of wineries in the area only adds to that potential, said Sue Scott, co-owner of the Camas Prairie Winery. The majority of Idaho's wine has been produced in the southern part of the state. Washington's wine regions are mainly around Yakima, Walla Walla and on the Columbia River. Most of the local vintners work together and help out if someone has a question or needs to borrow equipment. They often place supply orders together to get better prices, Scott said. Industry experts say an area needs at least eight to 10 wineries to draw people. The Palouse is too cold to grow grapes, but the Lewiston/Clarkston area has a favorable growing climate. Lewiston and Clarkston were major grape-growing areas around the turn of the 20th century, but Prohibition wiped those vineyards out, said Karl Umiker, co-owner of Clearwater Canyon Cellars.

Doug Tweedy, Regional Economist
1158 Idaho St., Lewiston, ID 83501
(208) 799-5000 ext. 3511
E-mail: doug.tweedy@cl.idaho.gov